GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:2136
ANSWERED ON:08.08.2005
PRICE POLICY FOR MFL
Ramadass Prof. M

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the criteria laid down for fixation of prices of fertilizer in public sector enterprises;

(b) whether the Bureau of Industrial Restructuring has recommended a price policy for Madras Fertilizer Limited (MFL);

(c) if so, whether the Government has given its approval; and

(d) if not, by when it is likely to be approved ?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS & MINISTER OF STEEL(SHRI RAM VILAS PASWAN)

(a): Subsidy disbursements to indigenous urea manufacturing units are made under the provisions of the New Pricing Scheme for urea units introduced w.e.f 1.4.2003 applicable to urea units in all the sectors i.e., public, private and cooperative.

The concession on decontrolled phosphatic and potassic (P&K) fertilizers is worked out as per the methodology recommended by Tariff Commission. In case of complex fertilizers, the manufacturers have been divided into two groups based on usage of ammonia by them for sourcing `nitrogen` content. M/s Fertilizers & Chemicals Travancore Limited (FACT), Madras Fertilizers Limited (MFL) and Gujarat Narmada Valley Fertilizers & Chemicals Limited (GNVFC) are placed in Group −II while other manufacturers are placed in Group-I. The concession rates are determined by adjusting their normative assessed price quarterly, based on the prices of imported ammonia, phosphoric acid, urea and Muriate of Potash (MOP) for Group-I and price of imported ammonia, naphtha, phosphoric acid and MOP for Group-II.

(b) to (d): The Government has so far not taken a decision on the recommendations of the Board for Reconstruction of Public Sector Enterprises on the financial restructuring of MFL.